

Draft Financial Statements at 09 September 2019 at 09:36:56

Charity Registration No. 1063835

Company Registration No. 03398543 (England and Wales)

**FOUNDATION FOR AL-QUDS UNIVERSITY MEDICAL SCHOOL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr A Massoud Mr K Dawas Mr N Tamimi Dr L Nashef Mr M Bustami Dr R Charif Dr A Awwad Dr A Misbahuddin Mr N Serougi	(Appointed 5 June 2018) (Appointed 13 May 2018)
Secretary	Mrs R M Leonard	
Charity number	1063835	
Company number	03398543	
Registered office	10 Queen Street Place First Floor London EC4R 1BE	

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Foundation for Al-Quds University Medical School (FQMS) was incorporated on 3rd July 1997 as a company limited by guarantee No 3398543. FQMS received registration of its charitable status from the Charity Commissioners on 7th August 1997 with the registered charity number 1063835. The principal charitable objects of FQMS are the advancement of education in the public field of medicine and in particular for the advancement of all aspects of the work of the Medical School at Al-Quds University. At the time of formation this was the only Palestinian medical school: the charity has since extended its work to support medical schools in Gaza and Nablus. In recognition, it adopted a working name in addition to FQMS: The Al-Quds Foundation for Medical Schools in Palestine.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

This report covers the period between 1st January and 31st December 2018.

The 21st AGM of the Foundation, held on Monday 8th October 2018, was kindly hosted by Mrs Dalia Salaam-Rishani in London. Mr Khaled Dawas chaired the meeting. The remaining trustees for the period were Dr Nihad Tamimi (vice chairman) Dr Mahmud Bustami, Dr Rawya Charif, Dr Ahmed Massoud, Dr Awwad Awwad, Dr Lina Nashef, Dr Anjum Misbahuddin and Mr Neil Serougi. Miss Rita Leonard is the FQMS secretary. Dr Fuad Haddad stepped down as trustee.

The trustees met at regular intervals in 2018. The meetings were held on:

- 7th January
- 8th April
- 13th May
- 9th September

In between formal meetings, trustees conducted the business of the charity with monthly email contact. The Conference and Courses Subcommittee comprises Ahmed Massoud and Mahmud Bustami. Responsibility for postgraduate trainee affairs is held by Nihad Tamimi and the Madrinha Trust liaison is held by Khaled Dawas. The annual dinner organising committee comprised Rawya Charif, Lina Nashef and Ahmed Massoud.

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

FQMS activities included support for undergraduates and postgraduate training. These include the following:

- Support external teachers and examiners.
- External student elective placements (for senior medical students from the West Bank and Gaza).
- Expanded temporary student accommodation during clinical placements (Al-Quds University).
- Refurbishing Anatomy laboratory at IUG, Gaza.
- Support for attending conferences.
- Faculty development (IUG Gaza).
- Bursaries for students based on merit and need (West Bank and Gaza).
- Selection and administration of Madrinha Trust Scholarships facilitated by FQMS. In 2018, we selected 4 more students from Al Azhar.
- Support for postgraduate trainees continued. Our pathology trainee, the only postgraduate trainee outside the UK has postponed her UK specialty exam due to personal circumstances and is now due to complete the exam in early 2020. Other trainees through our FQMS/Juzoor partnership (funded by the Arab Fund for Economic and Social Development) continued their training as follows:
 - a. Gynaecology trainee in London (UCLH) – completed in 2018 and returned to the West Bank.
 - b. Haematopathology trainee in Bristol (Southmead) – completed in December 2018 and returned to the West Bank in March 2019.
 - c. Paediatrician specialising in Paediatric Cardiology in Southampton (University Hospital) - started 2015. Has returned to an NHS post and is still being overseen in a mentorship relationship by FQMS.
 - d. Laparoscopic Gynaecology trainee in London (UCLH).
 - e. Interventional Radiology trainee – started in May 2018 in London (KCL).

Rita Leonard has been the sole salaried employee since 2014 (full time since September 2016) at FQMS.

FQMS is proud of its continued partnership with the Arab Fund and Juzoor. We started a new agreement allowing for up to 6 more trainees to be funded for subspecialty training in the UK. We are also very grateful to our partner the Madrinha Trust for funding scholarships and mentoring deserving medical students in both Gaza and the West Bank.

FQMS extends its thanks to the elective students' host institutions and supervisors and to all who helped in their reception and placement. In 2018, many students were unable to travel to their electives because of continued travel restrictions in Gaza and tighter visa processes in the UK. However, the situation saw some easing compared to 2017.

The FQMS annual fundraising dinner was successfully held in April 2018. However, the date had been changed due to the inclement climate on the initial planned date in March. Ms Farah Nabulsi, the film writer was the keynote speaker.

For the preparation of the accounts, which form part of this report, the trustees thank our secretary Rita Leonard and treasurer (appointed in February 2018) Reuben Ramanah. FQMS congratulates the deans and all their colleagues and students for continuing progress in the face of immense difficulties.

Many supporters, not specifically mentioned, have made extremely generous donations to the charity as well as giving of their time and skills. The trustees are grateful for all their support and encouragement without which much of the charity's work will not be possible. We remain committed to the development of FQMS in expertise and service towards the fulfilment of its objective of furthering medical education. FQMS and its trustees are dedicated to collaborative working with partners who eschew the same goals of developing a good medical education and leaders of the future.

Khaled Dawas

Chairman of Trustees, FQMS

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

It is FQMS policy to make sure that the unrestricted funds are maintained at a level to fund a full year of activities and projects in view of the difficulties encountered in transferring funds to Palestine. As an example, funding for the substantial postgraduate training programme originates in the Middle East and is subject to significant delays.

However, FQMS is committed to rapid use of its charitable funds for the agreed projects and maintenance of as small a financial reserve as possible. FQMS will be increasing funding on several projects, as well as considering new key projects in the coming year.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr A Massoud

Dr F Haddad

(Retired 8 October 2018)

Mr K Dawas

Mr N Tamimi

Dr L Nashef

Mr M Bustami

Dr R Charif

Dr A Awwad

Dr A Misbahuddin

(Appointed 5 June 2018)

Mr N Serougi

(Appointed 13 May 2018)

Approved by order of the board of trustees and signed on its behalf by:

.....
Mr K Dawas

Trustee

Dated:

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FOUNDATION FOR AL-QUDS UNIVERSITY MEDICAL SCHOOL

I report on the financial statements of the charity for the year ended 31 December 2018, which are set out on pages 5 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of Foundation for Al-Quds University Medical School for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of P T Minchell.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

P T Minchell
For and on behalf of Clarkson Hyde LLP

Chartered Accountants

Dated:

3rd Floor
Chancery House
St Nicholas Way
Sutton
Surrey
SM1 1JB

**STATEMENT OF FINANCIAL ACTIVITIES
 INCLUDING INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and gifts	3	89,772	196,890	286,662	429,220
Charitable activities	4	7,897	-	7,897	11,172
Investments	5	1,443	-	1,443	695
Total income		<u>99,112</u>	<u>196,890</u>	<u>296,002</u>	<u>441,087</u>
<u>Expenditure on:</u>					
Raising funds	6	64,196	-	64,196	80,084
Charitable activities	7	49,768	222,991	272,759	287,804
Total resources expended		<u>113,964</u>	<u>222,991</u>	<u>336,955</u>	<u>367,888</u>
Net (outgoing)/incoming resources before transfers		(14,852)	(26,101)	(40,953)	73,199
Gross transfers between funds		13,695	(13,695)	-	-
Net (expenditure)/income for the year/ Net movement in funds		<u>(1,157)</u>	<u>(39,796)</u>	<u>(40,953)</u>	<u>73,199</u>
Fund balances at 1 January 2018		299,037	209,558	508,595	435,396
Fund balances at 31 December 2018		<u><u>297,880</u></u>	<u><u>169,762</u></u>	<u><u>467,642</u></u>	<u><u>508,595</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	11	36,984		84,142	
Cash at bank and in hand		437,305		443,891	
		<u>474,289</u>		<u>528,033</u>	
Creditors: amounts falling due within one year	12	(6,647)		(19,438)	
Net current assets			<u>467,642</u>		<u>508,595</u>
Income funds					
Restricted funds	13		169,762		209,558
Unrestricted funds			297,880		299,037
			<u>467,642</u>		<u>508,595</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2018.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

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Mr K Dawas

Trustee

Company Registration No. 03398543

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

Foundation for Al-Quds University Medical School is a private company limited by guarantee incorporated in England and Wales. The registered office is 10 Queen Street Place, First Floor, London, EC4R 1BE.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

IT Equipment	25% Straight Line
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and gifts

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	89,772	196,890	286,662	429,220
	<u>89,772</u>	<u>196,890</u>	<u>286,662</u>	<u>429,220</u>
For the year ended 31 December 2017	<u>188,025</u>	<u>241,195</u>		<u>429,220</u>

4 Charitable activities

	2018 £	2017 £
Gift aid receivable	7,897	11,172
	<u>7,897</u>	<u>11,172</u>

5 Investments

	2018 £	2017 £
Interest receivable	1,443	695
	<u>1,443</u>	<u>695</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2018

6 Raising funds

	2018	2017
	£	£
<u>Fundraising and publicity</u>		
Admin expenses	1,462	3,453
Accountancy fees	1,920	2,000
Bank charges	22	29
Exchange rate gain	617	12,409
Bad debts	-	4,470
Other fundraising costs	24,542	24,446
Staff costs	35,633	33,000
Depreciation	-	277
	<u>64,196</u>	<u>80,084</u>

7 Charitable activities

	2018	2017
	£	£
Support costs for students	272,759	287,804
	<u>272,759</u>	<u>287,804</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2018	2017
	Number	Number
	1	1
	<u>1</u>	<u>1</u>

Employment costs

	2018	2017
	£	£
Wages and salaries	34,750	33,000
Social security costs	428	-
Other pension costs	455	-
	<u>35,633</u>	<u>33,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

10 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	25,374	64,584
	<u>25,374</u>	<u>64,584</u>
Carrying amount of financial liabilities		
Measured at amortised cost	6,647	19,438
	<u>6,647</u>	<u>19,438</u>

11 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Accounts receivable	25,374	48,310
Other debtors	-	16,274
Prepayments and accrued income	11,610	19,558
	<u>36,984</u>	<u>84,142</u>

12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accounts payable	4,647	17,427
Other creditors	-	11
Accruals and deferred income	2,000	2,000
	<u>6,647</u>	<u>19,438</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 December 2018
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
IELTS Training	9,113	-	-	-	9,113
Graduate Debt	13,695	-	-	(13,695)	-
Post Graduate Training Programme	166,453	66,655	(88,509)	-	144,599
Accomodation Programme	-	16,616	(16,616)	-	-
Electives	-	13,925	(13,925)	-	-
Bursaries	-	15,774	(15,774)	-	-
Gaza Transport	5,318	-	(5,318)	-	-
Equipment for IUG	5,000	-	(5,000)	-	-
Sponsored Students	9,979	76,917	(86,570)	-	326
Professional Development	-	15,804	(1,280)	-	14,524
Inji	-	1,200	-	-	1,200
	<u>209,558</u>	<u>206,891</u>	<u>(232,992)</u>	<u>(13,695)</u>	<u>169,762</u>